



GREYMOUTH PETROLEUM

Greymouth Petroleum to drill Turangi-1 following Cardiff-2 in probe for deep gas

Press Release by Greymouth Petroleum at 1130h 16 February, 2005

New Zealand owned and operated Greymouth Petroleum advised today that it has contracted Parker Drilling Rig #246 for the drilling of the Turangi-1 well in PEP 38762. The Drilling Unit is to move to Turangi-1 following completion of the current Cardiff Joint Venture well drilling operations.

Rig #246 had been scheduled to mobilize to the Turangi-1 site over the Christmas/New Year period for 14 January, 2005 drilling commencement. Mobilization is presently delayed, beyond the control of Greymouth, by the mechanical difficulties reportedly encountered with Cardiff-2.

PEP38762 lies onshore on the north coast of the Taranaki Peninsular. The Motonui petrochemical manufacturing facility is located to the NW corner of the permit and main gas transmission pipelines bisect the permit. PEP 38762 lies along the same inversion trend and sits between the Pohokura gas condensate field which is offshore to the North West, and the Mangahewa deep gas field and the McKee oil field (both of which are onshore to the South East).

The Turangi-1 well will test the hydrocarbon potential of the Mangahewa Formation, to a depth of approximately 4000 metres. At 4000 metres, a decision to deepen the well to test the deeper Kaimiro Formation, (to a targeted depth of approximately 4500 metres) will be made.

For further information: contact John Sturgess, Chief Operating Officer, Greymouth Petroleum, (09) 968-4633